RCMP External Review Committee

2007-2008

Departmental Performance Report

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Minister of Public Safety
(Public Safety and Emergency Preparedness Canada)

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Section I: Overview

Chair's Message

The Departmental Performance Report of the Royal Canadian Mounted Police External Review Committee for 2007-2008 provides an overview of its work during this fiscal year. It also discusses the extent to which the Committee has met its objectives, as set out in its 2007-2008 Report on Plans and Priorities.

The Committee is a very small independent agency of the government, made up of the Chair, who is also the Chief Executive Officer, the Executive Director/Senior Counsel, and four permanent staff members. The Committee currently has an additional 4 temporary positions. It has a very distinct mandate. Its role is to conduct impartial and independent reviews of RCMP labour relations cases. In doing so, and with the help of a strong outreach program, it aims to positively influence the manner in which labour relations issues are addressed within the RCMP.

The Committee had an extremely busy year. It participated in government reviews of the RCMP governance structure by making presentations to both the Brown Task Force on Governance and Cultural Change in the RCMP and the House of Commons Standing Committee on Public Accounts. It provided the government with its response to the Task Force recommendations related to matters within the Committee's mandate, and also prepared vision documents and draft legislation that can be found on the Committee's website.

In addition to these special initiatives, the Committee met all of its corporate and reporting responsibilities. It also dealt with an increased amount of work in the areas of staffing, budget management, management accountability and human resources planning.

In spite of the time and resources required for these important strategic and corporate tasks, the Committee also managed to output a strong number of findings and recommendations, and also engaged in significant outreach and information dissemination to ensure that its work is known and understood by RCMP members.

Because of resource pressures that were not foreseen at the time of the planning for the year under review, the Committee did not fully meet all of the targets that it set for itself. This report will outline in more detail the areas of challenge and the lessons learned for future years. The Committee is committed to improving the timeliness of its findings and recommendations, and believes that this will be achieved through a combination of a long term funding increase and improvements in our processes.

My vision for the Committee continues to be that it have the ability, through longer term funding, to fully and effectively meet its strategic outcome, through the provision of high quality, independent and timely case review and outreach, while at the same time meeting corporate demands.

Catherine Ebbs
Chair

Management Representation Statement

I submit for tabling in Parliament, the 2007-08 Departmental Performance Report for the RCMP External Review Committee.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2007-08 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Catherine Ebbs
Chair

Treasury Board Approved Strategic Outcome and Program Activity Architecture for 2007-2008

Strategic Outcome
The Royal Canadian Mounted Police External Review Committee aims to positively influence the manner in which labour relations issues are addressed within the Royal Canadian Mounted Police
Program Activity 1
Independent, timely, fair and impartial case review leading to the provision of quality findings and recommendations in all cases referred to the Committee
Program Activity 2
Dissemination of information on the role of the Committee and its findings and recommendations, as well as on relevant legal principles

Summary Information

Committee's Reasons for Existence

The RCMP External Review Committee ("Committee") is an independent and impartial agency that aims to promote fair and equitable labour relations within the RCMP, in accordance with applicable principles of law. To this end the Committee conducts an independent review of appeals in disciplinary and discharge and demotion matters, as well as certain categories of grievances that can be referred to it pursuant to s.33 of the *RCMP Act* ("*Act*") and s. 36 of the *RCMP Regulations* ("*Regulations*").

The Committee benefits Canadians through its contribution to fair, transparent and accountable labour relations processes within the RCMP, and by extension, through its contribution to the efficiency and fairness of the RCMP.

Financial Resources ($thousands)

	2007-2008	
Planned Spending	**Total Authorities**	**Actual Spending**
1,192	1,606	1,214

Human Resources (FTEs)

	2007-2008	
Planned	**Actual**	**Difference**
9	10*	1

* Until September 2007, our initial FTE planned was 9. Funding was received for 1 additional corporate resource for a one year term. This position could not be filled in this fiscal year. Another FTE position was vacant for 6 months of the year.

Committee's Priorities

Priority	Type	Performance Status
1. Focus on quality of case review and reduction of backlog	ongoing	partly met*
2. Maintain optimum environment for ERC staff	ongoing	successfully met
3. Ongoing evaluation of operations	ongoing	successfully met
4. Solidify outreach and raise awareness of the ERC's work	ongoing	successfully met
5. Development of a more robust infrastructure to address corporate requirements and integrate these in its operational framework	three years	partly met*

* as defined on page 8

Program Activities by Strategic Outcome

	Expected Results	Performance Status	2007-2008 ($thousands)		Contributes to the following priority
			Planned Spending*	Actual Spending	
Strategic Outcome: The Royal Canadian Mounted Police External Review Committee aims to positively influence the manner in which labour relations issues are addressed within the Royal Canadian Mounted Police					
1. Independent, timely, fair and impartial case review leading to the provision of quality findings and recommendations in all cases referred to the Committee.	All recipients of the Committee's reports of findings and recommendations and the summaries of such reports are better informed because of the independent recommendations received from the Committee, and use this knowledge in making decisions in labour relations matters.	met	905	1,016	Priority No. 1, 2, 3 and 5
2. Dissemination of information on the role of the Committee and its findings and recommendations, as well as on relevant legal principles.	RCMP users of the Committee's communication tools are more informed when participating in the RCMP labour relations procedures and more aware of applicable law, regulations and policies. Non-RCMP users of the Committee's communication tools increase their understanding of the RCMP internal management process in particular, and relevant legal principles in general.	met	287	198	Priority No. 4

* This breakdown of resources had not been adjusted to reflect the Committee's 80% (program activity 1) and 20% (program activity 2) division for each program activity.

Summary of Departmental Performance

A. Day-to-Day Conditions of the Work of the Committee Pertaining to Performance

1) Case Review

Members of the RCMP are subject to distinct systems of grievance, discipline and discharge and demotion adjudication, as outlined in Parts III, IV and V of the *Act*. The internal RCMP labour relations system makes the initial decision in labour relations matters affecting members. Where the initial decision is appealed, the *Act* provides for referral to the Committee. The mandate of the Committee is to undertake an external review and issue findings and recommendations to the parties and the Commissioner of the RCMP. The Commissioner of the RCMP makes the final decision and should he or she not follow the Committee's recommendation, the law requires that he or she give reasons for not doing so.

Grievances constitute the largest component of the Committee's work. The *Act* and *Regulations* provide that five categories of grievances must be referred to it for review:

a) interpretation and application of government-wide policies that apply to members of the RCMP;
b) stoppage of pay and allowances during suspension of a member;
c) interpretation and application of the *Isolated Posts Directive*;
d) interpretation and application of the *Relocation Directive*;
e) administrative discharge on grounds of physical or mental disability, abandonment of post, or irregular appointment.

With discharge and demotion matters, there is no restriction on what types of appeals will be referred. In the area of discipline, only appeals where formal disciplinary proceedings have been taken are referred to the Committee. The Committee does not have a role in the review of disciplinary measures arising from an informal disciplinary process, as described by the *Act*.

2) Outreach and Communication Activities

The Committee provides case review which is both impartial and arms length to the RCMP. In doing so, it aims to positively influence the RCMP labour relations environment. Likewise, information exchange and outreach with stakeholders is integral to this objective. The Committee utilizes a number of tools for outreach, including its Web site (www.erc-cee.gc.ca), its quarterly publication (*Communiqué*), requests for information, and ongoing training, meetings, and capacity building.

B. Internal and External Factors Affecting the Performance of the Committee

The Committee continued to devote its resources towards its strategic aim of positively influencing the manner in which labour relations issues are addressed within the RCMP. As part

of its key Program Activity pertaining to the independent and impartial review of cases, the Committee completed a total of 31 cases during the 2007-2008 fiscal year, thereby providing parties and the RCMP Commissioner with an independent review of the dispute to facilitate transparent and accountable labour relations.

The body of findings and recommendations issued by the Committee contributed to assisting stakeholders in the RCMP labour relations area in interpreting relevant legislation, regulations and policy. The Committee dealt with a large number of matters in its review of cases, and also identified, as it has in the past, areas for policy change/clarification.

The issuance of these findings and recommendations by the Committee allowed it to successfully meet its priority of focussing on the quality of case review. However, as will be discussed below, various factors impacted on the Committee's ability to produce more cases than it did, and therefore reduce its backlog. As a result, this priority was only partly met.

As part of its priority of solidifying outreach and raising awareness of the Committee's work, the Committee also devoted resources to its second Program Activity, outreach and information dissemination. Through various means, the Committee informed the public on labour relations issues within the RCMP, and also increased awareness of labour relations issues within the RCMP.

The Committee continued to evaluate its operations on an ongoing basis. One of its priorities, case review status, remained a standing item in regular staff meetings, and the Committee addressed issues which had been raised in its Management Accountability Framework (MAF) assessment. Further, as part of a recognition of its upcoming twentieth anniversary, the Committee prepared an Annual Report which takes stock of, and highlights, the accomplishments of, the Committee over the last 20 years.

Although the Committee had identified as a priority for the fiscal year reduction of backlog, there were challenges with making gains in this area. The number of findings and recommendations issued by the Committee was lower than the previous fiscal year, owing to a number of factors. The Committee had some unusually difficult cases before it in 2007-08 that required more time than usual to review. Further, staffing issues, as well as strategic and corporate demands, all linked to the Committee's small size and its delicate funding situation, impacted on the Committee's ability to dedicate resources to case review.

Staffing Issues

The Committee was able to classify and staff three additional positions resulting from temporary funding. Two years' funding was approved in September 2006 for one legal counsel, and five years' funding was approved for a junior legal counsel and an administrative support position. The purpose of this temporary funding was to facilitate case review and reduce the Committee's volume of outstanding cases. Given classification and staffing delays, the positions were only filled in June of 2007. As well, two of the three employees filling these positions left early into

their secondments. These circumstances surrounding staffing presented challenges which had an impact on the Committee's ability to devote resources to its caseload. Firstly, having positions vacant for periods of time meant that case review work could not be done. Secondly, every new selection process required the attention of senior personnel.

Despite these challenges, there is no doubt that the additional positions, since they have been staffed, have assisted with the development of a more robust operational infrastructure for the Committee, and have also supported the Committee's priority of maintaining an optimum environment for Committee employees. However, it appears that the staffing challenges will persist until more permanent funding solutions are identified.

Strategic Demands

The RCMP was under government and public scrutiny in the past year, and this required strategic attention and outreach by the Committee.

In particular, the Committee contributed to the *Brown Task Force on Governance and Cultural Change in the RCMP* ("*Brown Task Force*"), via written submissions and two meetings with the Task Force. The Committee also devoted significant resources to its response to the Task Force report and various interactions with stakeholders on labour relations reform within the RCMP.

As well, the Chair appeared before the House of Commons Standing Committee on Public Accounts and the Committee devoted resources to the study and evaluation of the Standing Committee's report and recommendations.

In a small agency such as the Committee, these strategic responsibilities, while very important, had an direct impact on the ability to devote attention to case review.

Corporate Demands

Regardless of its size, the Committee must meet all government-wide corporate requirements. Deputy Head accountability in corporate areas such as human resources, finance, and information management required a level of attention that reduced the time available for the Chair to undertake case review.

Although the analytical work of the Committee is developed by the public service staff of the Committee, the actual recommendations are produced by one person, the Chair of the Committee, who is also the Committee's Chief Executive Officer pursuant to the *RCMP Act*. The Chair's involvement in corporate issues, and that of Committee staff, affected the Committee's ability to maximize its output of cases. Nevertheless, the Committee places great importance on these requirements, and the development of a more robust infrastructure to address corporate requirements and integrate these in its operational framework was one of the Committee's priorities in 2007-2008.

The Committee received approval in the Fall 2007 for corporate infrastructure support, and it has been able to dedicate some of those funds toward changes to partly address its priority of developing a more robust infrastructure for corporate requirements and integrating these in its operational framework. However, the short term nature of the funding (2 years) presents obstacles to fully developing a corporate infrastructure. Permanent funding to support the Committee's corporate support requirements would allow it to fully meet its priority in this area.

Section II: Analysis of Program Activities by Strategic Outcome

The 2007-2008 Report on Plans and Priorities has one strategic outcome:

> *The RCMP External Review Committee aims to positively influence the manner in which labour relations issues are addressed within the RCMP*

To meet this strategic outcome, the Committee has identified two program activities:

1. *Independent, timely, fair and impartial case review leading to the provision of quality findings and recommendations in all cases referred to the Committee.*

2. *Dissemination of information on the role of the Committee and its findings and recommendations, as well as on relevant legal principles.*

Program Activity 1: Independent, timely, fair and impartial case review leading to the provision of quality findings and recommendations in all cases referred to the Committee

Financial Resources ($thousands)

Planned Spending*	Authorities	Actual Spending
905	1,285	1,016

* This breakdown of resources had not been adjusted to reflect the Committee's 80% (program activity 1) and 20% (program activity 2) division for each program activity.

Human Resources (FTEs)

Planned	Actual	Difference
7	8	1

The Committee continues to spend approximately 80% of its time and resources on case review. Committee Chair and staff wages (not including contributions to employee benefit plans) amounted to $548,794 this year and operating expenses to $300,852.

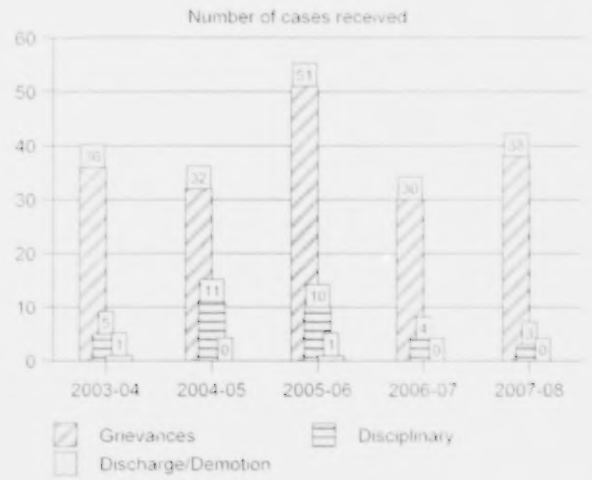
Background

With regard to its first program activity, the statutory mandate of the Committee is to conduct an impartial review of cases. The Level II grievances, and disciplinary and discharge and demotion appeals, involve disputes that were not resolved through the initial stages of dispute resolution. Therefore, the issues often involve complex, challenging and sensitive problems that require in-depth analysis.

Case review and the issuance of findings and recommendations remains the Committee's central mandate. The Committee has a backlog of cases, defined as a case that has been at the Committee for more than one year. In addition, the Committee continues to receive increasingly more complex and sensitive cases.

i) Referrals

The Committee cannot predict the number of cases that will be referred to it in any given year. The following table illustrates the number of cases referred to the Committee in this fiscal year, in comparison to previous years.



There were more cases referred to the Committee in this fiscal year than in the prior fiscal year. A total of 38 grievances were referred to the Committee, compared to 30 in the previous year. Three disciplinary appeals were referred to the Committee and no discharge and demotion appeals were referred to the Committee this year.

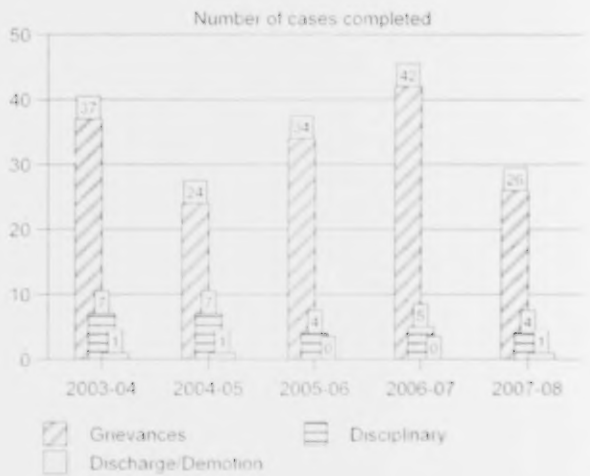
ii) Cases Completed

The number of cases completed by the Committee varies depending on the complexity and number of issues raised. For grievances, the objective of the Committee is to issue its recommendation within three months of the case being referred to it. For discipline and discharge and demotion cases, the standard that the Committee strives for is six months.

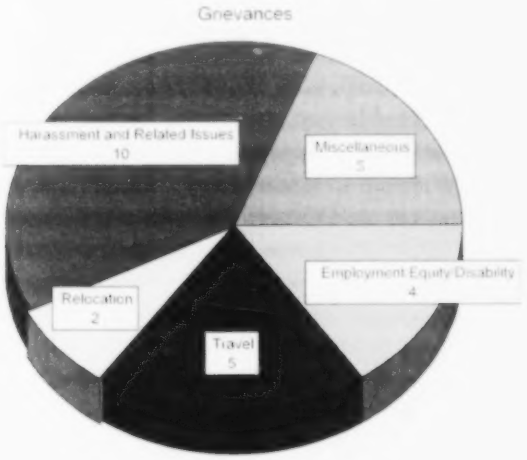
There is a waiting period before cases are reviewed and largely due to this, these service standards are not met. The Committee continues to strive to meet these standards given the importance of timeliness in the recommendations issued and it sought, and was granted, short term additional resources to do so. Putting the resources in place, and retaining the personnel, has proven difficult. The Committee continues to pursue the indeterminate funding levels that would assist it in meeting its mandate.

There was a decrease in the number of cases completed in 2007-08. The Committee reviewed a total of 31 cases this year. This reduction was due in part to the review of two very lengthy and complex files, one a harassment complaint and one a discharge and demotion appeal, and in part to the increased time that the Chair and operational staff are required to devote to corporate and strategic matters.

In the area of grievances, 26 grievance files were completed. The Committee completed 4 disciplinary appeals files. One finding and recommendation in the area of discharge and demotion was issued. The following table illustrates the number of cases completed this fiscal year, in comparison to previous years:



The subject matter of this year's completed grievance files fell into the following general categories:



iii) Disciplinary Appeal and Discharge and Demotion Cases

This year, the Committee completed four disciplinary appeal files. One was initiated by a member and three involved an appeal by Commanding Officers ("CO"). One of the CO appeals also involved a cross-appeal by a member. One appeal dealt with a sanction consisting of an order to resign within 14 days, failing which the member would be dismissed.

iv) Discharge and Demotion Cases

The Committee issued findings and recommendations in one discharge and demotion case in 2007-08, only the fifth in its history.

v) Conclusion

In conclusion, a total of 41 cases were referred to the Committee this year, and 31 cases were completed. At year end, 69 active cases remained before the Committee, including 58 grievances, 11 discipline appeals and no discharge and demotion appeals. The table below shows the flow of cases and general status of cases before the Committee at the beginning and at the end of this fiscal year.

The Committee's Workload Overview				
	Grievances	*Discipline*	*Discharge/ Demotion*	*Total*
Cases remaining at the end of fiscal year 2006-07	46	12	1	**59**
Cases referred in 2007-08	38	3	0	**41**
Cases reviewed in 2007-08	26	4	1	**31**
Cases remaining at the end of fiscal year 2007-08	58	11	0	**69**

Expected Result

The expected result for Program Activity 1 is expressed in the activity itself: All recipients of the Committee's reports of findings and recommendations and the summaries of such reports are better informed because of the independent recommendations received from the Committee, and use this knowledge in making decisions in labour relations matters.

Analysis of Performance

The Committee issued a substantial number of findings and recommendations in 2007-2008. However, progress in the area of case review and backlog reduction has not reached the levels hoped for by the Committee. The Committee has identified several deterrents to progress in this area, including the expanded corporate reporting requirements and commensurate lack of resources in this area, as well as the difficulties the Committee experienced attempting to maximize the benefits from temporary funding. These are discussed in more detail in the "Lessons Learned" section below. The Committee has continued its efforts to secure long-term funding to address the deterrents to progress in the area of case review delay.

The Committee continued to implement its backlog reduction strategy by applying Management Reserve funding to fill three temporary positions. The Committee has expanded its pre-screening process and early indications are that this initiative will contribute to the efficiency of the Committee. The LA-01 position has been dedicated to pre-screening cases before they are subject to fuller analyses. The position reviews files when they are initially referred to the Committee, to identify files which might be dealt with more expeditiously, or to identify those for which further documentation needs to be obtained. The initial screening also identifies legal issues and Committee precedents that have dealt with the matter. This front-end work alleviates the workload on the LA-2(1) FTEs when they undertake a fuller analysis of the file. It also provides a developmental position and contributes to the Committee's succession planning. The staffing of the additional LA-02(1) has definitely contributed to the operational capacity of the Committee to issue thorough analyses to the Committee Chair, and therefore assist the Chair in issuing findings and recommendations.

The Committee maintained its research files and research tools, and encouraged ongoing training of staff to ensure currency with evolving legal and labour relations issues. Each employee attended training pertaining to present demands, and in some cases, career development.

The Committee continued to build on its commitment to maintain an optimum environment for Committee staff, thereby ensuring an experienced, qualified complement to address the challenges of file review.

In 2007-2008, the Committee fully staffed its indeterminate positions. It held regular staff meetings and continued its tradition of consulting with all staff on policy development and policy change.

The Committee has developed new policies to optimize the work environment, including a policy on telework and a revision to its conflict resolution policy. The Committee has continued to monitor its policies on human resources to ensure that they maximize the benefits to its staff. The Committee also undertook a pilot review of the use of an external confidential access point service, in combination with its already established conflict resolution mechanisms.

The Committee has continued to evaluate its operations to ensure new challenges are foreseen and planned for and to ensure previously identified weaknesses are addressed.

A plan of action was developed for the Committee's twentieth anniversary, which will fall in the 2008-2009 fiscal year. This plan includes outreach activities and a twentieth anniversary publication.

The Committee addressed the major issues raised in the MAF assessment, including InfoSource, access to information and developing a multi-year evaluation plan. As a result of the Force-wide evaluation arising from the *Brown Task Force* and Public Accounts Committee reports, implementation of the evaluation plan has been postponed.

The Committee has continued its efforts to develop a more robust infrastructure to address corporate requirements and integrate these in its operational framework in order to minimize the extent to which operational resources are being diverted to corporate initiatives and to allow operational staff to focus on case review.

In 2007-2008, the Committee, using temporary funding, filled a position in the administrative support area. Due to issues surrounding classification, the Committee has been unable to fill the other position funding via the Management Reserve (an FI-03), but it has worked with its HR service provider to develop a solution to this issue. The temporary funding has allowed the Committee to dedicate some of the funds toward changes, including improvements to its registry file office; additional corporate support through consultants; and broader accommodation planning.

The Committee actively participated in the current Service Delivery Model development project, a Treasury Board funded initiative to develop a shared services model for human resources support for small agencies.

Ongoing efforts continued to be made by the Committee to work with Treasury Board Secretariat and Ministry of Public Safety to seek stable and longer term funding to address its resource shortfall in the corporate support and administrative areas.

Program Activity 2: Dissemination of information on the role of the Committee and its findings and recommendations, as well as on relevant legal principles

Financial Resources ($thousands)

Planned Spending*	Authorities*	Actual Spending*
287	321	198

* This breakdown of resources had not been adjusted to reflect the Committee's 80% (program activity 1) and 20% (program activity 2) division for each program activity.

Human Resources (FTEs)

Planned	Actual	Difference
2	2	0

The Committee estimates that it spends 20% of its time and resources on tasks related to our second program activity. Committee Chair and staff wages (not including contributions to employee benefit plans) amounted to $137,198 for the year and operating expenses of $75,213.

Expected Result

The expected result for Program Activity 2 is: RCMP users of the Committee's communication tools are more informed when participating in the RCMP labour relations procedures and more aware of applicable law, regulations and policies. Non-RCMP users of the Committee's communication tools increase their understanding of the RCMP internal management process in particular, and relevant legal principles in general.

Analysis of Performance

The Committee considers its communication role with stakeholders essential in ensuring that its mandate is effectively met. The Committee utilizes a number of tools for outreach, including its Web site (www.crc-cce.gc.ca), its quarterly publication *Communiqué*, requests for information, and ongoing training, meetings, and capacity building. A review of each area of outreach activity

follows. The data provided is based upon the Committee's internal tracking of its outreach activities.

The Committee's efforts in 2007-2008 were focussed on solidifying outreach and raising awareness of the Committee's Work . This ensures that there is knowledge of the Committee' s work. It also contributes to greater transparency of its work and contributes to openness and understanding in the realm of employment relations decisions, and policies and practices as they pertain to the RCMP.

In 2007-2008, all findings and recommendations, and the Commissioner's subsequent decisions, were summarized and put on its Web site (www.erc-cee.gc.ca) as soon as possible in both official languages. Training materials that have been used in prior training sessions are also included on the Web site. Key reports, including its annual reports and government reports (RPPs, DPRs), as well as other materials, are also posted on its Web site.

The Committee published the *Communiqué* four times in the 2007-2008 fiscal year. In the *Communiqué*, the Committee has also offered articles on areas of interest, such as "What Makes a Good Grievance", the Committee's presentation to the *Brown Task Force* and its outreach efforts .

The Committee met with a variety of stakeholders in this fiscal year:

- the Chair of the Committee spoke at the RCMP Pacific Region, Staff Relations Representative (SRR), Sub-Representative conference;
- the Chair of the Committee and the Committee's Executive Director appeared before the *Brown Task Force*;
- the Chair of the Committee appeared before the House of Commons Standing Committee on Public Accounts in relation to their study of the Auditor General's November 2006 Audit of Pension and Insurance Administration in the RCMP;
- the Chair and Committee staff attended the annual meeting of the newly elected RCMP SRRs;
- Committee staff visited the RCMP Atlantic Regional Office for the Coordination of Grievances (OCG);
- the Chair and Committee staff spoke to the RCMP Level I Adjudicators; and,
- staff participated in three RCMP detachment visits, including two ride-along opportunities.

The Committee responded to 96 requests for information and while some of these are straightforward, others involve more complex legal issues. The Committee responded within an average of 4 days and in some cases has provided additional information in more detailed responses within a longer time frame.

The Committee developed a formal Twentieth Anniversary Plan for the 2008-2009 fiscal year and this included a component on outreach. The Committee also developed a multi-year

evaluation plan, which incorporates outreach. As noted, due to the Force-wide evaluation currently underway, implementation of the evaluation plan has been placed on hold.

Lessons Learned

The Need to Participate in the RCMP Review Processes

One of the most significant aspects of 2007-2008 has been the need for the Committee to dedicate resources to the issue of governance and cultural change within the RCMP. As a significant part of the labour relations regime of the RCMP, the Committee has contributed by appearing before the House of Commons Public Accounts Committee and preparing submissions for, and appearing before, the *Brown Task Force*. In addition, the Committee has carefully reviewed the resulting reports and provided comments and feedback in this regard to numerous stakeholders. While the Committee has been pleased to be engaged in these processes, and feels its unique perspective has enhanced the discussions, the drain on resources has been significant. As a micro-agency with only six indeterminate FTEs, the Committee has dedicated a substantial amount of its time and energy, particularly at the most senior levels, to these important strategic issues.

From this, the Committee has concluded that capacity for strategic operations is crucial, even in very small agencies, but it is often overlooked in resource distribution. In 2007-2008, the Committee temporarily realigned its staff to ensure that there was support for these strategic operations, on the basis of the immediate need, but at the expense of case review.

The Challenges of Temporary Funding for Micro-Agencies

In 2007-2008, the Committee received temporary funding from the Management Reserve, including two years of corporate support funding. Starting in 2006, it received operational funding for five-years, receivable on a declining basis beginning in 2008-2009. Unfortunately, a variety of issues prevented the Committee from profiting from these funds to the extent anticipated.

The Committee experienced classification delays with the HR Service Provider in being able to classify the temporary positions, and in fact, one position remains unclassified.

The fact that the funds provided were not indeterminate, but simply fixed term, resulted in staffing choices being restricted and the Committee was not successful in fully filling the positions through secondments and interchange. It was not until the Fall 2007 that all the FTE (both existing in the A base and from 2006 Management Reserve funding) were fully staffed at the Committee. Within a few months, two of the temporary positions were again vacant, in large part due to the fact that they could not be filled on an indeterminate basis.

Having positions vacant for periods of time meant that less case work was being done. The significant periods of time required to have the positions classified and staffed reduced the Committee's ability to realize all of the gains that were expected from the Management Reserve funding. Further, every new selection process required the attention of the Executive Director/Senior Counsel and other Committee personnel, thereby taking time that would have otherwise been devoted to casework. Attention required does not end with a completed staffing process. Attention must then be devoted by the Executive Director/Senior Counsel to developing new employees' capacity, an important and worthwhile task, but which necessarily detracts from casework.

The Lack of Corporate Support Resources

Significant changes to management accountability and reporting has increased the resources that the Committee is required to allocate to corporate functions. The Committee is subject to the same accountability and reporting requirements as large departments. Corporate pressures on the Committee have not abated, and all staff routinely assists the Committee in meeting its responsibilities.

As the Committee has little corporate capacity, it has been necessary to divert staff persons from case review to address these mandatory governance initiatives. Further, these corporate requirements engage both the Chair and the Executive Director/Senior Counsel a significant amount of the time, thereby further eroding operational capacity. The limited duration temporary funding, while of assistance, does not address the need for a permanent, stable corporate support section.

Committee's link to the "Whole-of-Government Framework" used in *Canada's Performance Report*.

Strategic Outcome: The Royal Canadian Mounted Police External Review Committee aims to positively influence the manner in which labour relations issues are addressed within the Royal Canadian Mounted Police				
	Actual Spending 2007-08 ($thousands)			Alignment to Government of Canada Outcome Area
Program Activity	Budgetary	Non-budgetary	Total	
1. Independent, timely, fair and impartial case review leading to the provision of quality findings and recommendations in all cases referred to the Committee.	1,016	0	1,016	The Strategic Outcome of the RCMP External Review Committee supports all government outcomes: 1. Economic Affairs income security and employment for Canadians; strong economic growth; an innovative and knowledge-based economy; a clean and healthy environment; and a fair and secure marketplace. 2. Social Affairs healthy Canadians; safe and secure communities; a diverse society that promotes linguistic duality and social inclusion; and a vibrant Canadian culture and heritage. 3. International Affairs a safe and secure world through international cooperation; global poverty reduction through sustainable development; a strong and mutually beneficial North American partnership; and a prosperous Canada through global commerce. 4. Government Affairs
2. Dissemination of information on the role of the Committee and its findings and recommendations, as well as on relevant legal principles	198	0	198	

The Committee's strategic objective is aligned primarily with the outcome "safe and secure communities", via its contribution to fair, transparent and accountable labour relations processes within the RCMP. The efficiency and fairness of the RCMP, as well public confidence in the

organization, contributes to all Government of Canada outcomes.

The Committee's work on occupational health and safety issues, human rights and language requirements also aligns with the Government of Canada outcomes of a diverse society, with linguistic duality and social inclusion, and a vibrant Canadian culture and heritage.

The Committee's work aligns with "Government Affairs" outcomes, as the Committee supports a public service, specifically the RCMP, that reflects excellence and leadership.

Table 1 - Comparison of Planned to Actual Spending (including FTEs)

($ thousands)	20 5-06 Actual	2006-07 Actual	2007-2008			
			Main Estimates	Planned Spending	Total Authorities	Actual
Program Activity 1 Independent, timely, fair and impartial case review leading to the provision of quality findings and recommendations in all cases referred to the Committee	733	778	905	905	1,285	1,016
Program Activity 2 Dissemination of information on the role of the Committee and its findings and recommendations, as well as on relevant legal principles	183	131	287	287	321	198
Total	**916**	**909**	**1,192***	**1,192***	**1,606**	**1,214**
Less: Non-respendable revenue	0	0	0	0	0	0
Plus: Cost of services received without charge **	118	139	151	151	151	149
Total Departmental Spending	**1,034**	**1,048**	**1,343**	**1,343**	**1,757**	**1,363**
Full Time Equivalents	6	6	9	9	10 ***	8

* This breakdown of resources had not been adjusted to reflect the Committee's 80% (program activity 1) and 20% (program activity 2) division for each program activity.

** Services received without charge usually include accommodation provided by PWGSC, the employer's share of employees' insurance premiums, and expenditures paid by TBS (excluding revolving funds). Workers' Compensation coverage provided by Social Development Canada, and services received from the Department of Justice Canada.

*** Until September 2007, our initial FTE planned was 9. Funding was received for 1 additional corporate resource for a one year term. This position could not be filled during the fiscal year. Another FTE position was vacant for 6 months of the year.

Table 2 - Voted and Statutory Items

($ thousands)					
		2007-2008			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates	Planned Spending	Total Authorities	Actual
60	Operating Expenditures	1,044	1,044	1,454	1,016
(S)	Contributions to employee benefit plans	148	148	152	198
	Total	1,192	1,192	1,606	1,214

Table 3A - *User Fees Act*

For supplementary information on the Committee's User Fees, please visit: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Table 3B - Policy on Service Standards for External Fees

For supplementary information on the Committee's Service Standards for External Fees, please visit: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Table 4 - Response to Parliamentary Committees and External Audits

For supplementary information on the Committee's Response to Parliamentary Committees and External Audits, please visit: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Table 5 - Internal Audits

For supplementary information on the Committee's Internal Audits, please visit: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Table 6 - Travel Policies

For supplementary information on the Committee's Travel Policies, please visit: http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp.

Table 7 - Financial Statements

Statement of Management Responsibility (unaudited)

RCMP EXTERNAL REVIEW COMMITTEE

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in these statements rests with the Committee's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Committee's financial transactions. Financial information submitted to the Public Accounts of Canada and included in the Committee's Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Committee.

The financial statements of the Committee have not been audited.

Catherine Ebbs
Chair

July 23, 2008

Monica Phillips
A/Executive Director and Senior Counsel

July 23, 2008

Statement of Financial Position (unaudited)

RCMP EXTERNAL REVIEW COMMITTEE

As at March 31 (in dollars)	2008	$2007
Assets		
Financial Assets		
Accounts receivable and advances (Note 4)	**1,163**	791
Non-financial assets		
Tangible capital assets (Note 7)	**17,939**	-
Total Assets	**19,102**	791
Liabilities and Equity of Canada		
Liabilities		
Accounts payable and accrued liabilities (Note 3(c))	**61,948**	55,641
Vacation pay and compensatory leave (*)	**21,402**	21,402
Employee severance benefits (Note 5(b))	**120,322**	104,483
Total Liabilities	**203,672**	181,526
Equity of Canada	**(184,570)**	(108,735)
Total Liabilities and Equity of Canada	**19,102**	791

(*) Amount for estimated for accrued liabilities has not changed from 2007, as the related expenses are not material

The accompanying note form and integral part of these financial statements.

Statement of Equity (unaudited)

RCMP EXTERNAL REVIEW COMMITTEE

For the year ended March 31	**2008**	2007
(in dollars)	**Actual**	Actual
Equity of Canada, beginning of year	**(180,735)**	(149,698)
Net cost of operations	**(1,337,253)**	(1,054,529)
Current year appropriations used (Note 3)	**(1,213,918)**	(908,901)
Change in net position in the Consolidated Revenue Fund (Note 3 (c))	**(29,204)**	(29,384)
Revenue not available for spending (Note 3)	**-**	(20)
Services received without charge from other government departments (Note 6)	**(148,704)**	(143,995)
Equity of Canada, end of year	**(184,570)**	(180,735)

The accompanying notes form an integral part of these financial statements.

Statement of Operations (unaudited)

RCMP EXTERNAL REVIEW COMMITTEE

For the year ended March 31	2008			2007
(in dollars)				
	Independent and impartial case review	**Outreach and information dissemination**	**Total**	Total
Expenses				
Salaries and employee benefits	**759,492**	**139,855**	**899,347**	692,530
Professional and special services	**198,421**	**48,793**	**247,214**	165,626
Accommodation	**77,514**	**19,378**	**96,892**	94,514
Information	**24,008**	**4,889**	**28,897**	32,780
Travel and relocation	**14,009**	**3,502**	**17,511**	10,427
Communication	**12,441**	**3,110**	**15,551**	16,346
Equipment	**10,718**	**2,755**	**13,473**	23,968
Utilities, material and supplies	**9,640**	**2,410**	**12,050**	10,839
Equipment rentals	**4,409**	**1,102**	**5,511**	7,516
Amortization	**438**	-	**438**	-
Repairs	**295**	**74**	**369**	-
Other	-	-	-	3
Total Expenses	**1,111,385**	**225,868**	**1,337,253**	1,054,549
Revenues				
Other Revenues	-	-	-	**20**
Net Cost of Operations	**1,111,385**	**225,868**	**1,337,253**	**1,054,529**

Statement of Cash Flow (unaudited)

RCMP EXTERNAL REVIEW COMMITTEE

For the year ended March 31	**2008**	2007
(In dollars)		
Operating activities		
Net Cost of Operations	**1,337,253**	1,054,529
Non-cash items:		
Services received without charge from other government departments (Note 6)	**(148,704)**	(143,995)
Amortization of tangible capital assets (Note 7)	**(438)**	-
Variations in Statement of Financial Position:		
Increase (Decrease) in receivables and advances	**372**	(8,147)
Decrease (Increase) in liabilities	**(22,146)**	(22,890)
Total cash used by operating activities	**1,133,667**	879,497
Capital investment activities		
Acquisitions of tangible capital assets (Note 7)	**18,377**	-
Financing activities		
Net cash provided by Government of Canada	**(1,184,714)**	(879,497)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (unaudited)

RCMP EXTERNAL REVIEW COMMITTEE

1. Authority and Objectives

Under the *Royal Canadian Mounted Police (RCMP) Act*, the RCMP Commissioner refers all appeals of formal discipline and all discharge and demotion appeals to the Committee unless the member of the RCMP requests that the matter not be referred. In addition, pursuant to section 33 of the *RCMP Act*, the RCMP Commissioner refers certain types of grievances to the Committee in accordance with regulations made by the Governor in Council. Section 36 of the *RCMP Regulations* specifies the grievances which the RCMP Commissioner is obliged to refer to the Committee, namely grievances respecting:

- ✓ the Force's interpretation and application of government policies that apply to government departments and that have been made to apply to members;
- ✓ the stoppage of pay and allowances of members made pursuant to subsection 22(3) of the *RCMP Act*;
- ✓ the Force's interpretation and application of the *Isolated Posts Directive*;
- ✓ the Force's interpretation and application of the *RCMP Relocation Directive*; and
- ✓ administrative discharge on the grounds of physical or mental disability, abandonment of post, or irregular appointment.

The Committee is also responsible for outreach and information dissemination.

2. Significant accounting policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations
The Committee is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Committee do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government
The Committee operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Committee is deposited to the CRF and all cash disbursements made by the Committee are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund
The change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the Committee. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

2. Significant accounting policies (continued)

(d) Expenses

Expenses are recorded on the accrual basis:

- ✓ Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(e) Employee future benefits

i) ***Pension benefits***: Eligible employees participate in the Public Service Pension Plan, a multiemployer administered by the Government of Canada. The Committee's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation to the Plan. Current legislation does not require the Committee to make contributions for any actuarial deficiencies of the Plan.

ii) ***Severance benefits***: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Receivables

Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. The Committee does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of leasehold improvement is done on a straight-line basis over the remaining term of the lease or useful life of the improvement.

(h) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where an estimate is used are the liability for employee severance benefits and the estimated useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

The Committee receives its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Committee has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:		
(in dollars)	**2008**	2007
Net cost of operations	**1,337,253**	1,054,529
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Adjustments to previous years' payables at year-end	**23,269**	10,258
Revenue not available for spending	**-**	20
Vacation pay and compensatory leave	**-**	(2,580)
Amortization of capital assets	**(438)**	-
Employee Severance Benefits	**(15,839)**	(9,331)
Services received without charge from other government departments (Note 6)	**(148,704)**	(143,995)
	(141,712)	(143,628)
Adjustment for items not affecting net cost of operations but affecting appropriation:		
Add (Less):		
Acquisitions of tangible capital assets (Note 7)	**18,377**	-
Current year appropriations used	**1,213,918**	908,901
(b) Appropriations provided and used:		
(in dollars)	**2,008**	2,007
Program expenditures - *Vote 60*	**1,453,940**	880,354
Lapsed	**(391,882)**	(65,203)
	1,062,058	815,151
Add statutory amounts:		
Contributions to employee benefits plan	**151,860**	93,750
Current year appropriations used	**1,213,918**	908,901

3. Parliamentary appropriations (continued)

(c) Reconciliation of net cash provided by Government to current year appropriations used:		
(in dollars)	**2008**	2007
Net cash provided by Government	**1,184,714**	879,497
Revenue not available for spending	**-**	20
	1,184,714	879,517
Change in net position in the Consolidated Revenue Fund:		
Adjustments to previous years' payables at year-end	**23,269**	10,259
(Increase) decrease in receivables and advances	**(372)**	8,147
Increase (decrease) in accounts payable and accrued liabilities	**6,307**	10,979
	29,204	29,384
Current year appropriations used	**1,213,918**	908,901

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:		
(in dollars)	**2008**	2007
Receivable from other Federal Government departments and agencies	**913**	541
Employee advances	**250**	250
Total	**1,163**	**791**

5. Employee Benefits

(a) Pension benefits

The Committee's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Committee contribute to the cost of the Plan. The 2007-08 expense amounts to $110,706 ($69,093 in 2006-07), which represents approximately 2.1 times the contributions by employees.

The Committee's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

5. Employee Benefits (continued)

(b) Severance benefits

The Committee provides severance benefits to its employees based on eligibility, years of service and final salary. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

(in dollars)	**2008**	2007
Accrued benefit obligation, beginning of year	**104,483**	95,152
Expense for the year	**15,839**	9,331
Accrued benefit obligation, end of year	**120,322**	104,483

6. Related party transactions

The Committee is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Committee enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Committee received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services received without charge from other government departments

During the year the Committee received service without charge from other departments. These services have been recognized in the Committee's Statement of Operations as follows:

(in dollar)	**2008**	2007
Accommodation	**96,342**	94,514
Employer's contribution to the health and dental insurance plans	**52,362**	49,481
Total	**148,704**	142,995

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Committee's Statement of Operations

(b) Payables outstanding at year-end with related parties:

(in dollars)	**2008**	2007
Accounts payable to other government departments and agencies	**5,381**	5,377

7. Tangible Capital Assets

(in dollars) Cost	Opening balance	Acquisitions	Disposals and write-offs	Closing balance		
Leasehold improvements		18,377	-	**18,377**		
Total cost		18,377	-	**18,377**		
(in dollars) **Accumulated amortization**	**Opening balance**	Amortization	Disposals and write-offs	Closing balance	**2008 Net book value**	**2007 Net book value**
Leasehold improvements	-	438	-	**438**	**17,939**	-
Total cost	-	438	-	**438**	**17,939**	-

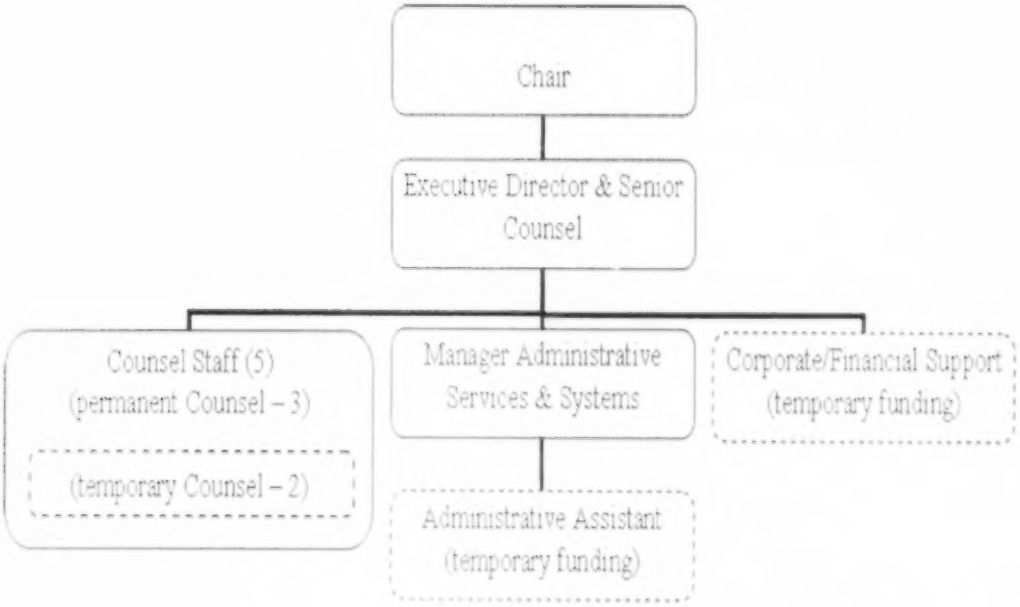
8. Comparative information

Comparative figures have been reclassified to confirm the current year's presentation.

Section IV - Other Items of Interest

Organizational Information

The Committee reports directly to Parliament through the Minister of Public Safety. The Committee has a single member, the Chair, who is appointed by Order in Council.



The Committee also engages in internal services such as corporate and administrative services, including those in the following areas: Management and Oversight, Human Resources Management, Financial Management, Supply Chain Management, Information Management, Information Technology, Legal, Evaluation, Internal Audit, and Others, including general administrative support and monitoring of shared service agreements. Internal services are very important and support all program activities and priorities of the Committee.

Resource Person

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